

LFC Subcommittee on Budget and Appropriation Processes

Recommendations for the Legislative Finance Committee March 6, 2008

General Fund Transfers

Subcommittee Action

1. Motion: Senator Cobb moved to eliminate all permanent general fund transfers except for those enacted by SB 166 and SB 243 in the 2007 session.
Vote: Pass 3 to 0
2. Motion: Senator Cobb moved to accept the policy statement concerning permanent general fund transfers.
Vote: Pass 3 to 0

Results of Action

1. Recommend to the Legislative Finance Committee the elimination of the following permanent general fund transfers:

Subcommittee Action Elimination of Permanent General Fund Transfers					
MCA Authorization	Name	Legislative Session	2009 Biennium (millions)		
			Fiscal 2008	Fiscal 2009	Total
15-1-122	HB 124 transfers of motor vehicle fee revenue	2001	\$8.735	\$8.919	\$17.654
17-1-511(2)	SB 553 - Incentives for rural physicians	2007	0.000	0.063	0.063
77-1-108(4a)	HB19 - To Morrill trust land administration account	2007	<u>0.080</u>	<u>0.000</u>	<u>0.080</u>
Total			\$8.815	\$8.982	\$17.797

2. Recommend the Legislative Finance Committee approve the following policy statement about permanent general fund transfers:

“It is the policy of the Legislative Finance Committee that the legislature does not enact legislation that transfers general fund in an on-going manner to another account from which it can be appropriated. Such action obfuscates the true source of funding, reduces the general fund balance without any review by the appropriations subcommittees, and is inefficient. A better method is to directly appropriate the funding for the intended use. This policy also applies to non-general fund on-going transfers. Our Legislative Fiscal Division staff is instructed to inform legislators, legislative committees, and others as it deems necessary of this policy.”

Statutory Appropriations

Subcommittee Action

1. In referencing the LFD report entitled, “Statutory Appropriations: A Review Proposal”, Representative Taylor moved to eliminate all the statutory appropriations that are in the “not used” table, consolidate all the horse racing statutory appropriations, and strike the invalid statutory appropriation in 75-10-622, MCA.
Vote: Pass 3 to 0

2. In referencing the LFD report entitled, "Statutory Appropriations: A Review Proposal", Senator Wanzonried moved to establish a sunset date of the end of fiscal 2011 for all the statutory appropriations under the heading "Staff Discretion" except those for: 1) debt service; 2) school funding; 3) emergencies or disasters declared by the governor; 4) retirement; and 5) those included in the previous motion.

Vote: Pass 3 to 0

Results of Action

1. Recommend to the Legislative Finance Committee the indicated action on the following statutory appropriations:

<u>Action</u>	<u>MCA & Name</u>	<u>FY 2007</u>	<u>FY 2001-2007</u>
<u>Eliminate - Not Used Since FY 2001</u>			
	10-2-603 State Veterans' cemeteries	0	0
	17-7-304 MUS deferred maintenance & equipment	0	0
	53-6-703 Defray the managed care application review cost	0	0
	61-3-415 Grants wished to chronically or critically ill children	0	0
	75-5-1108 Loans for water pollution control	0	0
	75-6-214 Financial assistance to public water systems	0	0
	80-5-510 Administer agricultural seed dispute resolutions	0	0
	87-1-513 Grants to the Montana food bank network	0	0
<u>Consolidate</u>			
	23-4-105 for the good of the existing horseracing industry	0	0
	23-4-202 for the good of the existing horseracing industry	0	0
	23-4-204 for the good of the existing horseracing industry	0	0
	23-4-302 for the good of the existing horseracing industry	0	0
	23-4-304 for the good of the existing horseracing industry	0	0
<u>Eliminate - Invalid</u>			
	75-10-622	0	0

2. Recommend to the Legislative Finance Committee the following statutory appropriations be sunset at the end of fiscal 2011:

MCA *	Name	Revenue Source	Expenditures	
			FY 2007	FY 2000-2007
10-4-301	Reimburse telephone companies for 911 costs	Telephone access fee	\$5,993,819	\$44,601,077
15-1-111	Reduced property tax reimbursement	General Fund	2,408,411	55,008,308
15-1-121	Local government entitlements	General Fund	85,708,417	508,036,771
15-23-706	Redistribution of coal gross proceeds	Coal gross proceeds taxes	1,271,087	9,125,004
15-35-108	Coal tax earnings for economic development	General Fund	1,140,552	12,152,067
15-36-332	Distribute O&G production taxes to eligible counties	Oil and gas production taxes	100,438,622	473,184,403
15-37-117	Distribution to counties impacted by mining	Metalliferous mines license taxes	3,638,075	15,007,106
15-39-110	Bentonite tax distribution to eligible counties	Bentonite taxes	1,061,048	1,061,048
15-65-121	Tourism promotion and related activities	Lodging facilities use taxes	15,846,680	100,808,956
15-70-101	Fuel taxes to local govt. for road work	Fuel taxes	16,766,000	134,179,157
17-3-212	Federal forest \$ to eligible counties	Federal forest reserve funds	12,934,779	90,013,583
17-3-222	Taylor grazing \$ to eligible counties	Federal taylor grazing act funds	134,690	1,754,211
17-3-241	US royalty to eligible counties from mineral account	U.S. mineral royalty revenue	9,535,674	26,738,234
18-11-112	Tribal reimbursements and DOR administration	Alcohol, tobacco, cigarette, gas taxes	8,574,908	20,762,115
20-26-1503	Pay debt and costs of rural physician incentive program	Bd of Regents medical student fees	152,120	1,373,835
2-17-105	State building damage repair	Insurance proceeds	103,808	3,499,098
22-3-1004	Purchase, maintain & operate historic properties	Lodging taxes, vehicle & gate fees,federal	1,708,130	9,731,060
23-5-306	Card table fees to local governments	Live card game table permit fee	90,350	449,500
23-5-409	Keno & bingo taxes to local governments	Keno & bingo gross proceeds tax	15,516	162,237
23-5-612	Video gambling permit fee to local governments	Video gambling machine permit fee	1,956,250	14,956,150
37-51-501	Pay real estate claims for unsatisfied judgments	Real estate licensee assessment	106	98,899
39-71-503	Payment of uninsured benefits	Uninsured employers' fund	1,058,119	5,476,990
41-5-2011	Youth court intervention and prevention	Transfers of money & unspent money	1,186,278	2,502,634
42-2-105	Adoption services	Fees for service, GF transfer	97,320	559,656
53-24-108 A	Grants for private or public alcoholism programs	% of liquor, beer, wine taxes	1,748,116	9,694,326
75-1-1101	Contingency to address environmental problems	Portion of RIT interest earnings	44,490	658,891
75-11-313	Petroleum tank release cleanup	Fuel taxes	7,674,821	44,564,141
77-1-108	Administer Morrill Act land grant	Transfer of general fund	59,281	59,281
80-11-518	Ag. commodity research & market development	Commodity assessments, penalties	64,361	252,358
80-2-222	Hail insurance except administration	All board of hail insurance funds	4,230,267	22,234,220
90-1-115 A	Support projects related to Lewis and Clark	L & C bicentennial license plate sales	24,998	24,998
90-1-115 B	Support projects related to Lewis and Clark	L & C bicentennial license plate sales	23,763	148,878
90-1-205	Assist economic development in Montana	Big sky coal trust fund earnings	1,362,991	1,888,982
90-3-1003	Fund research and commercialization projects	GF transfer of coal trust earnings	7,459,478	33,601,256
90-9-306	Fund ag. development & research projects	Loan repayments, grants, donations	(1,142)	215,631
	Total		\$294,512,185	\$1,644,585,060

- If there is more than one statutory appropriation within the same MCA section, they are differentiated by a letter at the end.